

FISCAL NOTE

HB 1364 - SB 1688

April 4, 1997

SUMMARY OF BILL: Requires all individual and group health insurance policies to cover streptococcus B tests for all pregnant women and infants.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures -	Exceeds \$100,000
Increase State Revenues	\$50,000
Increase Local Govt. Expenditures ¹ -	Exceeds \$100,000
Other Fiscal Impact - Increase Expenditures/Health Insurance Industry ² -	Exceeds \$100,000

The Department of Health estimates they would perform approximately 6,000 tests per year with the cost partially offset by revenue from TennCare reimbursement and third-party coverage.

According to the Department of Finance and Administration, this would mandate tests that are not now performed and would lead to additional expenditures to the state employee health care plan. Assumes a similar increase would be incurred by local government health care plans.

According to the Bureau of TennCare, this would also increase program expenditures in the TennCare Program by mandating tests that are not now performed on approximately 34,000 infants each year. Coverage of such tests is estimated to result in higher capitation rates paid to managed care organizations.

¹Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

²The impact on the health insurance industry is included as required by Chapter 244 of the Public Acts of 1989.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



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